

Chumporn Palm Oil Industry Public Company Limited
and its subsidiaries

Review report and interim consolidated financial information

For the three-month and six-month periods ended

30 June 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Chumporn Palm Oil Industry Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Chumporn Palm Oil Industry Public Company Limited and its subsidiaries as at 30 June 2023, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate interim financial information of Chumporn Palm Oil Industry Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 10 August 2023

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		85,476	78,069	51,520	49,017
Trade and other receivables	2, 3	348,174	494,440	447,162	617,910
Short-term loans to related parties	2	-	-	155,000	210,000
Inventories	4	487,397	933,011	447,972	894,680
Biological assets		77,131	78,198	47,623	60,212
Prepaid expenses		5,326	155	4,834	155
Other current assets		62,100	58,205	57,553	55,284
Total current assets		1,065,604	1,642,078	1,211,664	1,887,258
Non-current assets					
Investments in subsidiaries		-	-	206,000	206,000
Investment in joint venture		5,618	4,948	4,900	4,900
Investment properties		128,431	128,431	128,431	128,431
Property, plant and equipment	5	2,735,527	2,737,872	1,743,912	1,733,000
Right-of-use assets		6,128	5,936	3,398	3,218
Bearer plants	6	319,678	330,795	318,322	329,262
Intangible assets		2,534	2,601	2,357	2,401
Deposits		605	637	142	174
Non-current derivative assets	14.1	22	-	22	-
Total non-current assets		3,198,543	3,211,220	2,407,484	2,407,386
Total assets		4,264,147	4,853,298	3,619,148	4,294,644

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	7	937,000	1,400,000	790,000	1,190,000
Trade and other payables	2, 8	122,170	168,457	124,292	237,403
Current portion of long-term loans from banks	9	136,466	136,466	136,466	136,466
Current portion of lease liabilities		1,468	1,136	982	747
Income tax payable		2,616	-	2,616	-
Value added tax payable		21,483	21,892	17,596	12,897
Current derivative liabilities	14.1	3,360	-	3,360	-
Other current liabilities		13,556	7,888	8,953	3,282
Total current liabilities		1,238,119	1,735,839	1,084,265	1,580,795
Non-current liabilities					
Long-term loans from banks, net of current portion	9	149,894	218,127	149,894	218,127
Lease liabilities, net of current portion		4,917	5,005	2,521	2,541
Provision for long-term employee benefits		59,588	59,206	56,275	56,147
Deferred tax liabilities		218,528	214,686	212,715	210,994
Non-current derivative liabilities	14.1	516	2,440	516	2,440
Total non-current liabilities		433,443	499,464	421,921	490,249
Total liabilities		1,671,562	2,235,303	1,506,186	2,071,044

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
775,424,053 ordinary shares of Baht 1 each	775,424	775,424	775,424	775,424
Issued and paid-up				
632,752,650 ordinary shares of Baht 1 each	632,753	632,753	632,753	632,753
Share premium	412,310	412,310	412,310	412,310
Capital reserve for share-based payment transactions	12,657	12,657	12,657	12,657
Retained earnings				
Appropriated - statutory reserve	55,637	55,637	55,637	55,637
Unappropriated	613,929	637,157	135,620	244,076
Other components of shareholders' equity	865,299	867,481	863,985	866,167
Total shareholders' equity	2,592,585	2,617,995	2,112,962	2,223,600
Total liabilities and shareholders' equity	4,264,147	4,853,298	3,619,148	4,294,644
	-	-	-	-

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales		1,233,273	2,100,102	1,222,198	2,193,601
Other income		6,912	4,351	7,555	3,809
Gain on exchange		41	2,765	41	2,765
Total revenues		<u>1,240,226</u>	<u>2,107,218</u>	<u>1,229,794</u>	<u>2,200,175</u>
Expenses					
Cost of sales		1,105,869	1,897,998	1,148,842	2,056,476
Selling and distribution expenses		31,119	32,861	30,100	31,989
Administrative expenses		59,007	78,918	53,510	71,839
Total expenses		<u>1,195,995</u>	<u>2,009,777</u>	<u>1,232,452</u>	<u>2,160,304</u>
Operating profit (loss)		<u>44,231</u>	<u>97,441</u>	<u>(2,658)</u>	<u>39,871</u>
Share of profit from investment in joint venture		98	746	-	-
Finance income		309	149	2,283	2,721
Finance cost		(12,288)	(13,891)	(10,761)	(11,615)
Gain (loss) on change in fair value of biological assets		160	(2,727)	(1,357)	(5,352)
Gain (loss) on change in fair value of derivatives		1,376	(1,435)	1,376	(2,422)
Profit (loss) before income tax revenues		<u>33,886</u>	<u>80,283</u>	<u>(11,117)</u>	<u>23,203</u>
Income tax revenues	10	<u>1,264</u>	<u>2,809</u>	<u>1,568</u>	<u>3,531</u>
Profit (loss) for the period		<u>35,150</u>	<u>83,092</u>	<u>(9,549)</u>	<u>26,734</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Loss on cash flow hedges		(2,727)	(5,372)	(2,727)	(5,372)
Less: Income tax effect	10	<u>545</u>	<u>1,074</u>	<u>545</u>	<u>1,074</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(2,182)</u>	<u>(4,298)</u>	<u>(2,182)</u>	<u>(4,298)</u>
Other comprehensive income for the period		<u>(2,182)</u>	<u>(4,298)</u>	<u>(2,182)</u>	<u>(4,298)</u>
Total comprehensive income for the period		<u><u>32,968</u></u>	<u><u>78,794</u></u>	<u><u>(11,731)</u></u>	<u><u>22,436</u></u>
(Unit: Baht)					
Earnings per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>0.056</u>	<u>0.131</u>	<u>(0.015)</u>	<u>0.042</u>

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales		2,590,136	4,203,011	2,629,043	4,385,946
Other income		11,899	7,229	10,269	6,216
Gain on exchange		-	2,272	-	2,272
Total revenues		<u>2,602,035</u>	<u>4,212,512</u>	<u>2,639,312</u>	<u>4,394,434</u>
Expenses					
Cost of sales		2,268,589	3,748,755	2,402,704	4,052,017
Selling and distribution expenses		67,083	62,170	65,480	60,779
Administrative expenses		121,344	142,008	109,724	128,448
Loss on exchange		890	-	889	-
Total expenses		<u>2,457,906</u>	<u>3,952,933</u>	<u>2,578,797</u>	<u>4,241,244</u>
Operating profit		<u>144,129</u>	<u>259,579</u>	<u>60,515</u>	<u>153,190</u>
Share of profit from investment in joint venture		670	1,166	-	-
Finance income		330	188	4,561	5,485
Finance cost		(26,161)	(26,104)	(22,852)	(21,168)
Gain (loss) on change in fair value of biological assets		(1,984)	30,550	(12,589)	21,284
Gain (loss) on change in fair value of derivatives		1,314	(1,743)	1,314	(3,967)
Profit before income tax expenses		<u>118,298</u>	<u>263,636</u>	<u>30,949</u>	<u>154,824</u>
Income tax expenses	10	(8,648)	(26,040)	(6,527)	(23,742)
Profit for the period		<u>109,650</u>	<u>237,596</u>	<u>24,422</u>	<u>131,082</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Loss on cash flow hedges		(2,727)	-	(2,727)	-
Less: Income tax effect	10	545	-	545	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(2,182)	-	(2,182)	-
Other comprehensive income for the period		<u>(2,182)</u>	<u>-</u>	<u>(2,182)</u>	<u>-</u>
Total comprehensive income for the period		<u>107,468</u>	<u>237,596</u>	<u>22,240</u>	<u>131,082</u>
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.173</u>	<u>0.375</u>	<u>0.039</u>	<u>0.207</u>

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

Consolidated financial statements									
Note	Issued and paid-up share capital		Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Revaluation surplus on assets	Cash flows hedge reserve		
Balance as at 1 January 2022		632,753	412,310	12,657	48,951	434,438	645,372	-	2,186,481
Profit for the period		-	-	-	-	237,596	-	-	237,596
Other comprehensive income for the period		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	237,596	-	-	237,596
Dividends paid	12	-	-	-	-	(120,076)	-	-	(120,076)
Balance as at 30 June 2022		<u>632,753</u>	<u>412,310</u>	<u>12,657</u>	<u>48,951</u>	<u>551,958</u>	<u>645,372</u>	<u>-</u>	<u>2,304,001</u>
Balance as at 1 January 2023		632,753	412,310	12,657	55,637	637,157	867,481	-	2,617,995
Profit for the period		-	-	-	-	109,650	-	-	109,650
Other comprehensive income for the period		-	-	-	-	-	(2,182)	(2,182)	(2,182)
Total comprehensive income for the period		-	-	-	-	109,650	(2,182)	(2,182)	107,468
Dividends paid	12	-	-	-	-	(132,878)	-	-	(132,878)
Balance as at 30 June 2023		<u>632,753</u>	<u>412,310</u>	<u>12,657</u>	<u>55,637</u>	<u>613,929</u>	<u>867,481</u>	<u>(2,182)</u>	<u>2,592,585</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

Separate financial statements									
Note	Issued and paid-up share capital		Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income		Total other components of shareholders' equity	
	Revaluation surplus on assets	Cash flows hedge reserve							
Balance as at 1 January 2022	632,753	412,310	12,657	48,951	237,114	644,058	-	644,058	1,987,843
Profit for the period	-	-	-	-	131,082	-	-	-	131,082
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	131,082	-	-	-	131,082
Dividends paid	12	-	-	-	(120,076)	-	-	-	(120,076)
Balance as at 30 June 2022	632,753	412,310	12,657	48,951	248,120	644,058	-	644,058	1,998,849
Balance as at 1 January 2023	632,753	412,310	12,657	55,637	244,076	866,167	-	866,167	2,223,600
Profit for the period	-	-	-	-	24,422	-	-	-	24,422
Other comprehensive income for the period	-	-	-	-	-	-	(2,182)	(2,182)	(2,182)
Total comprehensive income for the period	-	-	-	-	24,422	-	(2,182)	(2,182)	22,240
Dividends paid	12	-	-	-	(132,878)	-	-	-	(132,878)
Balance as at 30 June 2023	632,753	412,310	12,657	55,637	135,620	866,167	(2,182)	863,985	2,112,962
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**Statement of cash flows****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	118,298	263,636	30,949	154,824
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	87,899	86,381	63,625	62,215
Gain on lease contracts termination	(2)	-	(2)	-
Reduction of cost of inventories to net realisable value	709	7,613	709	7,613
Written-off bearer plants	495	2,116	495	2,116
Financial fee amortisation	67	54	67	54
Gain on sale of equipment	(1,136)	(36)	(1,138)	(36)
Allowance for expected credit losses (reversal)	(598)	1,231	(598)	1,231
Share of profit from investment in joint venture	(670)	(1,166)	-	-
Long-term employee benefits expenses	2,435	2,579	2,181	2,311
Loss (gain) on change in fair value of biological assets	1,984	(30,550)	12,589	(21,284)
Loss (gain) on change in fair value of derivatives	(1,314)	1,743	(1,314)	3,967
Unrealised loss (gain) on exchange	779	(2,497)	779	(2,497)
Finance income	(330)	(188)	(4,561)	(5,485)
Finance cost	26,161	26,104	22,852	21,168
Profit from operating activities before changes in operating assets and liabilities	234,777	357,020	126,633	226,197
Operating assets (increase) decrease				
Trade and other receivables	146,864	(169,599)	166,129	(190,133)
Inventories	444,905	(99,603)	445,999	(96,829)
Biological assets	(917)	(1,040)	-	-
Prepaid expenses	(5,171)	(17,514)	(4,679)	(16,920)
Deposits	32	-	32	30
Other current assets	(4,498)	(29,048)	(3,017)	(28,534)
Operating liabilities increase (decrease)				
Trade and other payables	(46,851)	464	(113,671)	21,350
Value added tax payables	(409)	11,199	4,699	6,803
Other current liabilities	5,668	13,588	5,671	6,588
Provision for long-term employee benefits	(2,053)	(626)	(2,053)	(626)
Cash flows from (used in) operating activities	772,347	64,841	625,743	(72,074)
Cash paid for income tax	(1,789)	(824)	(1,645)	(1,178)
Net cash flows from (used in) operating activities	770,558	64,017	624,098	(73,252)

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Cash received from finance income	330	188	9,778	229
Decrease in short-term loans to related parties	-	-	55,000	73,800
Acquisitions of property, plant and equipment	(72,241)	(24,132)	(61,071)	(20,786)
Acquisitions of intangible assets	(131)	(1,048)	(131)	(1,033)
Cash received from sale of equipment	1,937	89	1,347	89
Increase in bearer plants	(2,003)	(1,575)	(2,003)	(1,575)
Net cash flows from (used in) investing activities	(72,108)	(26,478)	2,920	50,724
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	(463,000)	160,000	(400,000)	140,000
Cash paid for lease liabilities	(875)	(780)	(573)	(486)
Cash received from long-term loans from banks	-	99,875	-	99,875
Repayment of long-term loans from banks	(68,300)	(150,340)	(68,300)	(83,340)
Dividends paid	(132,878)	(120,076)	(132,878)	(120,076)
Cash paid for finance cost	(25,990)	(25,800)	(22,764)	(20,703)
Net cash flows from (used in) financing activities	(691,043)	(37,121)	(624,515)	15,270
Net increase (decrease) in cash and cash equivalents	7,407	418	2,503	(7,258)
Cash and cash equivalents at beginning of period	78,069	109,368	49,017	80,219
Cash and cash equivalents at end of period	85,476	109,786	51,520	72,961
	-		-	

Supplemental cash flows information:

Non-cash transactions

Increase (decrease) in accounts payable for acquisitions of

property, plant and equipment which had not yet been paid	509	(605)	531	(221)
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The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2023

1. General information

1.1 Basis for the preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, it focuses on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.2 Basis of consolidation

This interim financial information included the financial statements of Chumporn Palm Oil Industry Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") and has been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022, with no change in shareholding structure of subsidiaries during the current period.

1.3 Significant accounting policies

This interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

2. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
CPI Agrotech Co., Ltd.	Subsidiary
CPP Co., Ltd.	Subsidiary
CPI Power Co., Ltd.	Subsidiary
C K Trading (1965) Co., Ltd.	Joint venture
Khonburi Sugar Public Company Limited	Common shareholders/directors

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current periods.

Summary significant business transactions with related parties as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales	-	-	53.3	150.6
Rental income	-	-	0.2	0.2
Finance income	-	-	2.0	2.6
Purchase of raw materials	-	-	285.8	633.2
<u>Transactions with joint venture</u>				
Other income	0.9	0.9	0.9	0.9
Service expenses	4.2	4.2	4.2	4.2

(Unaudited but reviewed)

		(Unit: Million Baht)	
		For the six-month periods ended 30 June	
		Consolidated	Separate
		financial statements	financial statements
		2023	2022
Transactions with subsidiaries			
(eliminated from the consolidated financial statements)			
Sales	-	-	157.4
Rental income	-	-	0.4
Finance income	-	-	4.3
Purchase of raw materials	-	-	601.2
Transactions with joint venture			
Other income	1.9	1.9	1.9
Service expenses	8.4	8.3	8.4

The balances of the accounts as at 30 June 2023 and 31 December 2022 between the Company and those related companies are as follows:

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		30 June	31 December
		2023	2022
			(Audited)
Other receivables - related party (Note 3)			
Joint venture		316	342
Deposits - related party			
(presented as other current liabilities)			
Joint venture		218	218

		(Unit: Thousand Baht)	
		Separate financial statements	
		30 June	31 December
		2023	2022
			(Audited)
Trade accounts receivable - related party (Note 3)			
Subsidiary (eliminated from consolidated financial statements)		128,123	144,844

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements	
		30 June 2023	31 December 2022
Other receivables - related parties (Note 3)			
Subsidiary (eliminated from consolidated financial statements)		40	40
Joint venture		316	342
Total other receivables - related parties		356	382
Accrued income - related parties (Note 3)			
Subsidiary (eliminated from consolidated financial statements)		24	24
Interest receivables - related parties (Note 3)			
Subsidiary (eliminated from consolidated financial statements)		4,283	9,501
Short-term loans to related parties			
Subsidiary (eliminated from consolidated financial statements)		155,000	210,000
Trade accounts payable - related parties (Note 8)			
Subsidiary (eliminated from consolidated financial statements)		21,461	87,438

Short-term loans to related parties

As at 30 June 2023 and 31 December 2022, the balances of loans between the Company and those related parties and the movement of such loans are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans to	Relationship	Balance as at	During the period		Balance as at
		1 January 2023	Increase	Decrease	30 June 2023
CPI Agrotech Co., Ltd.	Subsidiary	12,000	-	(12,000)	-
CPP Co., Ltd.	Subsidiary	198,000	86,000	(129,000)	155,000
Total		210,000	86,000	(141,000)	155,000

The above loans are unsecured and due at call. Interest is charged at the rates of 4.75% per annum and interest rate charged on call borrowings from a bank plus 0.50% per annum.

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	5,175	5,061	5,113	4,938
Post-employment benefits	170	221	170	217
Total	5,345	5,282	5,283	5,155

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	15,300	14,477	15,176	14,173
Post-employment benefits	340	441	340	435
Total	15,640	14,918	15,516	14,608

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 13.4 a).

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Trade accounts receivable - related party (Note 2)				
Aged on the basis of due dates				
Not yet due	-	-	27	1,510
Past due				
Up to 1 month	-	-	15,967	44,750
1 - 3 months	-	-	37,301	93,565
3 - 6 months	-	-	74,828	5,019
Total trade accounts receivable - related party	-	-	128,123	144,844

(Unaudited but reviewed)

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Audited)		(Audited)	
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	296,279	417,184	262,797	386,245
Past due				
Up to 1 month	43,192	70,742	43,192	70,742
1 - 3 months	2,445	1,080	2,445	1,080
Over 12 months	4,303	5,001	4,303	5,001
Total	346,219	494,007	312,737	463,068
Less: Allowance for expected credit losses	(503)	(1,101)	(503)	(1,101)
Total trade accounts receivable				
- unrelated parties - net	345,716	492,906	312,234	461,967
Total trade accounts receivable - net	345,716	492,906	440,357	606,811
Other receivables				
Other receivables - related parties (Note 2)	316	342	356	382
Accrued income - related parties (Note 2)	-	-	24	24
Interest receivables - related parties (Note 2)	-	-	4,283	9,501
Other receivables - unrelated parties	2,142	1,192	2,142	1,192
Total other receivables - net	2,458	1,534	6,805	11,099
Total trade and other receivables - net	348,174	494,440	447,162	617,910

4. Inventories

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Audited)		(Audited)	
Inventories - cost	488,419	933,324	448,994	894,993
Reduce cost to net realisable value	(1,022)	(313)	(1,022)	(313)
Inventories - net	487,397	933,011	447,972	894,680

5. Property, plant and equipment

Movements of property, plant and equipment for the six-month period ended 30 June 2023 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2023	2,737,872	1,733,000
Acquisitions during the period - at cost	72,750	61,602
Disposal during the period - net book value as at disposal date	(801)	(209)
Depreciation for the period	(74,294)	(50,481)
Net book value as at 30 June 2023	<u>2,735,527</u>	<u>1,743,912</u>

6. Bearer plants

Movements of bearer plants for the six-month period ended 30 June 2023 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2023	330,795	329,262
Acquisitions during the period - at cost	2,003	2,003
Written-off during the period - net book value as at written-off date	(495)	(495)
Amortisation during the period	(12,625)	(12,448)
Net book value as at 30 June 2023	<u>319,678</u>	<u>318,322</u>

As at 30 June 2023, palm trees with the net book value of Baht 3 million (31 December 2022: Baht 4 million) were located on land which the Company had only occupancy rights.

7. Short-term loans from banks

	Interest rates		Consolidated		(Unit: Thousand Baht)	
	(% per annum)		financial statements		Separate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
				(Audited)		(Audited)
Short-term loans from banks	2.82 - 3.80	2.50 - 3.99	937,000	1,400,000	790,000	1,190,000

These short-term loans from banks are collateral-free loans. The loans repayment will due at call and within 3 months as from issuance date of promissory notes.

8. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Trade accounts payable - related parties (Note 2)	-	-	21,461	87,438
Trade accounts payable - unrelated parties	53,570	77,419	47,745	75,590
Accrued expenses	36,293	48,026	31,883	43,044
Other payables - unrelated parties	32,307	43,012	23,203	31,331
Total trade and other payables	122,170	168,457	124,292	237,403

9. Long-term loans from banks

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	30 June	31 December
	2023	2022
		(Audited)
Long-term loans from banks	286,730	355,030
Less: Deferred financial fee	(370)	(437)
Long-term loans from banks - net	286,360	354,593
Less: Current portion	(136,466)	(136,466)
Long-term loans from banks - net of current portion	149,894	218,127

(Unaudited but reviewed)

Movements of long-term loans from banks for the six-month period ended 30 June 2023 are summarised below:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2023	354,593
Repayment loans	(68,300)
Financial fee amortisation	67
Balance as at 30 June 2023	286,360

Long-term credit facilities of the Company are collateral-free loans.

The loan agreements contain several covenants which, among other things, require the Company to not create lien over assets, maintain debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreements.

As at 30 June 2023 and 31 December 2022, the Group had no long-term credit facilities which have not yet been drawn down.

In order to manage the interest rate risks associated with the long-term loans from banks, the Company entered into interest rate swap agreements with two commercial banks to swap interest rates as described in Note 14.1.

10. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses (revenues) for the three-month and six-month periods ended 30 June 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	(1,832)	-	(1,832)	-
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	568	(2,809)	264	(3,531)
Income tax revenues reported in profit or loss	<u>(1,264)</u>	<u>(2,809)</u>	<u>(1,568)</u>	<u>(3,531)</u>
Income tax reported in other comprehensive income	<u>(545)</u>	<u>(1,074)</u>	<u>(545)</u>	<u>(1,074)</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	4,261	-	4,261	-
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	4,387	26,040	2,266	23,742
Income tax expenses reported in profit or loss	<u>8,648</u>	<u>26,040</u>	<u>6,527</u>	<u>23,742</u>
Income tax reported in other comprehensive income	<u>(545)</u>	<u>-</u>	<u>(545)</u>	<u>-</u>

11. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group organised into business units based on its products and services and has three major reportable segments as follows:

- The palm oil products segment, which produces and distributes palm oil products and by products.
- The palm seeds, palm sprouts and others segment, which produces and distributes palm seeds, palm sprouts and others.
- The electricity segment, which produces and distributes electricity.

The palm seeds, palm sprouts and others and the electricity segment are insignificant. The Group's revenues from these two segments accounted for 4.3 percent of the total revenues amount in this interim consolidated financial information. Therefore, such presented internal reports are classified as a single operating segment. It is reported in the same way as the interim consolidated financial information were presented.

Major customers

During the three-month period ended 30 June 2023, the Group had revenue from one major customer in amount of Baht 121 million, arising from sales by the palm oil products segment.

During the six-month period ended 30 June 2023, the Group had revenue from one major customer in amount of Baht 404 million, arising from sales by the palm oil products segment.

12. Dividends paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for the year 2022	Annual General Meeting of the shareholders on 27 April 2023	132.9	0.210
Total dividend payment in 2023		132.9	0.210
Final dividends for the year 2021	Annual General Meeting of the shareholders on 28 April 2022	120.1	0.190
Total dividend payment in 2022		120.1	0.190

13. Commitments and contingent liabilities

13.1 Capital commitments

As at 30 June 2023, the Group had capital commitments of Baht 13 million (the Company only: Baht 13 million) relating to the building construction and acquisitions of machinery (31 December 2022: Baht 4 million (the Company only: Baht 4 million) relating to the building construction).

13.2 Lease and service commitments

As at 30 June 2023 and 31 December 2022, the Group had future minimum payments required under these non-cancellable lease and service contracts as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Payable:				
In up to 1 year	3	2	2	1
In over 1 year and up to 5 years	1	1	1	1
Over 5 years	1	1	1	1

13.3 Electricity sale commitment

The Group entered into the following agreements to sell electricity with Provincial Electricity Authority at a specified quantities and prices as defined in the agreements which are summarised below.

Company	Date of agreement	Period	Commencement date	Contracted capacity (MW)
Chumporn Palm Oil Industry Public Company Limited	24 December 2013	5 years and renewable for every 5 years automatically	29 September 2014	3
CPP Co., Ltd.	10 October 2016	15 years 4 months	27 April 2017	4

13.4 Guarantees

- a) As at 30 June 2023 and 31 December 2022, the Company had guaranteed bank credit facilities of its subsidiaries amounting to Baht 326 million.
- b) As at 30 June 2023 and 31 December 2022, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included the following letters of guarantee:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022 (Audited)	30 June 2023	31 December 2022 (Audited)
Letters of guarantee for electricity usage	7	7	3	3
Letters of guarantee for sell/ purchase electricity	1	1	1	1
Letters of guarantee for area management	1	1	-	-
Total	9	9	4	4

13.5 Commitments related to sale agreements

As at 30 June 2023, the Company had commitments relating to sale agreements which specified quantity and selling price with local customers amounting to Baht 219 million which the goods will be delivered during July to December 2023 (31 December 2022: Baht 552 million which the goods would be delivered during January to December 2023).

13.6 Commitment in respect of uncalled investment

As at 30 June 2023 and 31 December 2022, the Company is committed to pay the uncalled portion of its investment in CPI Power Co., Ltd. amounting to Baht 15 million.

14. Financial instruments**14.1 Derivatives and hedge accounting**

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2023	31 December 2022
		(Audited)
Derivative assets		
Derivative assets not designated as hedging instruments		
Interest rate swap agreements	22	-
Total derivative assets	<u>22</u>	<u>-</u>
Derivative liabilities		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	576	-
Palm oil forward contracts	57	-
Interest rate swap agreements	516	2,440
Derivatives liabilities designated as hedging instruments		
Palm oil forward contracts	<u>2,727</u>	<u>-</u>
Total derivative liabilities	<u>3,876</u>	<u>2,440</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts and interest rate swap agreements to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency and interest rate exposure of the underlying transactions, generally from 3 months to 5 years.

Derivatives designated as hedging instruments***Cash flow hedges*****Commodity price risk**

The Group sells crude palm oil on an ongoing basis in the palm oil products segment. The increased volatility in palm oil price over the past has led to the decision to enter into palm oil forward contracts to hedge the price volatility of forecast palm oil sales in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of palm oil forward contracts match those of the expected highly probable forecast transactions.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Foreign exchange forward contracts

As at 30 June 2023, the Group had foreign exchange forward contracts as follows:

Consolidated and separate financial statements as at 30 June 2023			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	351	33.78	22 August 2023

As at 31 December 2022, the Group had no outstanding foreign exchange forward contract.

Interest rate swap agreements

The Group entered into interest rate swap agreements in order to manage the interest rate risks associated with its long-term loans from banks. The details of the interest rate swap agreements outstanding as at 30 June 2023 and 31 December 2022 are summarised below.

Consolidated and separate financial statements				
	Principal amount	Interest revenue rate swap agreements	Interest expense rate swap agreements	Termination date
1	Baht 98 million	Floating rate THOR	Fixed rate as stipulated in swap agreement.	May 2027
2	Baht 175 million	Floating rate THOR plus 3.15% per annum	Fixed rate as stipulated in swap agreement.	December 2025
3	Baht 150 million	Floating rate THOR plus 3.30% per annum	Fixed rate as stipulated in swap agreement.	September 2024

14.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

14.3 Fair value hierarchy

As at 30 June 2023, the Group had the assets and liabilities that were measured at fair value or for which fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
As at 30 June 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Derivatives				
Interest rate swap agreements	-	22	-	22
Biological assets	-	-	77,131	77,131

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
As at 30 June 2023				
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Financial liabilities measured at FVTPL				
Derivatives				
Foreign exchange forward contracts	-	576	-	576
Palm oil forward contracts	-	57	-	57
Interest rate swap agreements	-	516	-	516
Financial liabilities measured at FVOCI				
Derivatives				
Palm oil forward contracts	-	2,727	-	2,727

(Unit: Thousand Baht)

Separate financial statements				
As at 30 June 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Derivatives				
Interest rate swap agreements	-	22	-	22
Biological assets	-	-	47,623	47,623
Liabilities measured at fair value				
Financial liabilities measured at FVTPL				
Derivatives				
Foreign exchange forward contracts	-	576	-	576
Palm oil forward contracts	-	57	-	57
Interest rate swap agreements	-	516	-	516
Financial liabilities measured at FVOCI				
Derivatives				
Palm oil forward contracts	-	2,727	-	2,727

During the current periods, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

14.4 Financial assets and liabilities denominated in foreign currencies

As at 30 June 2023 and 31 December 2022, the Group's balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated and separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1,144	1,215	14	14	35.5893	34.5624
Euro	18	21	12	2	38.6512	36.8274

15. Approval of interim consolidated financial information

This interim consolidated financial information was authorised for issue by the Company's Board of Directors on 10 August 2023.